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Chief, Plans Staff
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Director of Personnel
5 E 56 Headquarters

Harry,

Per your request I have gone over
APP another time to delete the re-
ference to PRA's and underslotting
and to achieve any other simplifi-
cations that occurred to me. In a
formulation of this kind, a new
viewpoint or guidance is sufficient
to achieve numerous specific changes.

Although we have tried to remain
flexible at all times in construct-
ing the APP format, we think it is
very important to retain in our
minds the distinction between
"people budgeting" and "people
reporting." As in the case of money
budgeting, it is necessary to use
numbers to summarize alternative
choices and program levels, decided
upon in the planning process by line
officials. The essence of budgeting
is to develop and approve a plan at
the beginning of a year. Reporting,
an integral part of the planning
effort, is an evaluation device for
looking back and pinpointing cor-
rective actions or revised goals.

In developing APP, we have con-
centrated upon those things that
should be considered and approved
in advance by the chain of command,
i.e., a blueprint for personnel
management.

I am forwarding the attached to
you before the Wednesday meeting in
order to facilitate our discussions
at that time. I have marked up

(continued)